

Regular Session, 2009

HOUSE BILL NO. 578

BY REPRESENTATIVE RICHMOND

TAX/INCOME-INDIV/EXEMPT: Increases tax credits for employment of certain persons related to the prevention of recidivism by persons released from incarceration

1 AN ACT

2 To amend and reenact R.S. 47:297(K) and (O) and 287.752, to enact R.S. 47:287.786, and
3 to repeal R.S. 47:287.748, relative to state income tax credits to reduce recidivism
4 of persons released from custody in Louisiana; to provide for and increase the
5 individual and corporation income tax credits for the employment of certain persons
6 convicted of certain crimes; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297(K) and (O) and 287.752 are hereby amended and reenacted
9 and R.S. 47:287.786 is hereby enacted to read as follows:

10 §297. Reduction to tax due

11 * * *

12 K.(1) There shall be a credit against the individual income tax liability due
13 under this Chapter, as provided in this Subsection, for each taxpayer who provides
14 full-time employment to an individual who has been convicted of a ~~first-time drug~~
15 nonviolent offense and who is less than twenty-five years of age at the time of initial
16 employment.

17 (2)(a) The credit shall be ~~two hundred~~ one thousand dollars per taxable year
18 per eligible employee. The credit shall be available for one taxable year per
19 employee.

20 (i) ~~Only one credit is allowed per taxable year per employee.~~

(ii) ~~The credit may be received for a maximum of two years per employee.~~

~~(b)~~ (3)(a) The credit shall be available upon certification by the employee's probation officer that the employee has successfully completed a court-ordered drug treatment/rehabilitation program or any other court-ordered program, and has worked one hundred eighty days full time for the employer seeking the credit.

~~(c)~~ (b) The form for applying for the credit shall be determined by the Department of Revenue and such form shall contain a sworn statement executed by both employer and employee certifying the employee's active full-time work status at the time the credit is taken.

~~(d)~~ (4) The secretary of the Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this Subsection.

~~(3)~~ (5) As used in this Subsection, the following terms shall have the following meanings:

~~(a) "Drug offense" means a violation under R.S. 40:961 et seq., the Uniform Controlled Dangerous Substances Law.~~

~~(c)~~ (a) "Eligible employee" and "employee" mean an individual convicted of a ~~first time drug~~ nonviolent offense who is less than twenty-five years of age at the time of initial employment. At the time of his initial employment, he was either on probation or parole, or he had been released from incarceration for no more than three hundred sixty-five days.

(b) "Full-time employment" means working a minimum of ~~thirty~~ thirty-five hours per week.

(c) "Nonviolent offense" means an offense that is neither a "crime of violence" as defined in R.S. 14:2(B), nor a sex offense as defined in R.S. 15:541(14.1), nor a habitual offense as defined in R.S. 15:529.1.

* * *

O. There shall be allowed to an individual who is an employer a credit against the individual income tax imposed by this Chapter for the taxable year the

1 same credits provided for in R.S. 47:287.752 for the full-time employment of
2 individuals who have been convicted of ~~first-time nonviolent~~ felony offenses. The
3 credit shall be the same amount and shall be subject to the same terms and conditions
4 as provided for in that Section. Such individual shall have been released from
5 incarceration for no more than three hundred sixty-five days at the time of his initial
6 employment.

7 * * *

8 §287.752. Tax credit for employment of ~~first-time nonviolent~~ felony offenders

9 A. There shall be a credit against the corporation income tax liability due
10 under this Chapter, as provided in this Section, for each taxpayer who provides full-
11 time employment to an individual who has been convicted of a ~~first-time nonviolent~~
12 felony offense.

13 B.(1) The credit shall be two ~~hundred~~ thousand five hundred dollars per
14 taxable year per eligible employee.

15 (a) Only one credit is allowed per taxable year per employee. No credit may
16 be taken under the provisions of this Section related to a particular employee if a tax
17 credit has been taken under the provisions of R.S. 47:297(K) or 287.786 for that
18 same employee.

19 (b) The credit may be received for a maximum of two years per employee.

20 (2) The credit shall be available upon certification by the employee's
21 probation officer that the employee has successfully completed a court-ordered drug
22 treatment/rehabilitation program or any other court-ordered program and has worked
23 one hundred eighty days ~~full-time~~ full time for the employer seeking the credit.

24 (3)(a) The form for applying for the credit shall be determined by the
25 Department of Revenue and such form shall contain a signed statement executed by
26 both employer and employee certifying the employee's active full-time work status
27 at the time the credit is taken.

(b) The secretary of the Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this Section.

C. As used in this Section, the following terms shall have the following meanings:

(1) "Eligible employee" and "employee" mean an individual convicted of a ~~first-time nonviolent~~ felony offense who had been released from incarceration for no more than three hundred sixty-five days at the time of initial employment.

~~(2) "Full-time employment" means working a minimum of thirty hours per week.~~

~~(3) "Nonviolent~~ (2) "Felony offense" means an offense that is ~~not~~ defined as a "crime of violence" pursuant to R.S. 14:2(B).

(3) "Full-time employment" means working a minimum of thirty-five hours per week.

* * *

§287.786. Tax credit for employment of nonviolent offenders

A. There shall be a credit against the corporation income tax liability due under this Chapter, as provided in this Subsection, for each taxpayer who provides full-time employment to an individual who has been convicted of a nonviolent offense and who is less than twenty-five years of age at the time of initial employment.

B. The credit shall be one thousand dollars per taxable year per eligible employee. The credit shall be available for one taxable year per employee.

C. The credit shall be available upon certification by the employee's probation officer that the employee has successfully completed a court-ordered drug treatment/rehabilitation program or any other court-ordered program, and has worked one hundred eighty days full time for the employer seeking the credit. The form for applying for the credit shall be determined by the Department of Revenue and such

1 form shall contain a sworn statement executed by both employer and employee
2 certifying the employee's active full-time work status at the time the credit is taken.

3 D. The secretary of the Department of Revenue shall promulgate such rules
4 and regulations as may be deemed necessary to carry out the purposes of this
5 Section.

6 E. As used in this Section, the following terms shall have the following
7 meanings:

8 (1) "Eligible employee" and "employee" mean an individual convicted of a
9 nonviolent offense who is less than twenty-five years of age at the time of initial
10 employment. At the time of his initial employment, he was either on probation or
11 parole, or he had been released from incarceration for no more than three hundred
12 sixty-five days.

13 (2) "Full-time employment" means working a minimum of thirty-five hours
14 per week.

15 (3) "Nonviolent offense" means an offense that is neither a "crime of
16 violence" as defined in R.S. 14:2(B), nor a sex offense as defined in R.S.
17 15:541(14.1), nor a habitual offense as defined in R.S. 15:529.1.

18 Section 2. R.S. 47:287.748 is repealed in its entirety.

19 Section 3. The provisions of this Act shall be applicable for taxable periods
20 beginning on or after January 1, 2009.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Richmond

HB No. 578

Abstract: Provides tax credits against individual and corporation income tax liability for taxpayers who employ certain nonviolent and felony offenders for the purpose of preventing recidivism among persons recently released from incarceration.

Present law authorizes a tax credit against the personal or corporation income tax liability of a taxpayer who employs a first-time drug offender who is under 25 years of age and who has completed a court-ordered drug treatment/rehabilitation program. The amount of the credit is \$200 per employee, and the credit may be taken for two years per employee. To be

eligible for the credit, the employee shall have worked for 180 days in a full-time, 30-hour-per-week capacity.

Proposed law changes present law by changing the application of the credit from first time drug offenders to nonviolent offenders, by increasing the amount of the tax credit from \$200 to \$1,000, by limiting the credit to one year instead of two, and by changing the work week requirement from 30 hours to 35 hours.

Proposed law adds to present law eligibility for persons who have completed court-ordered programs other than court-ordered drug treatment/rehabilitation programs.

Proposed law defines "nonviolent offense" to be an offense which is neither a crime of violence as defined in R.S. 14:2(B), nor a sex crime as defined in R.S. 15:541(14.1), nor a habitual offense as defined in R.S. 15:529.1.

Present law authorizes a tax credit against the individual and corporation income tax liability of a taxpayer who employs a first-time nonviolent offender. The amount of the credit is \$200 per employee, and the credit may be taken for two years per employee. To be eligible for the credit, the employee shall have worked for 180 days in a full-time, 30-hour-per-week capacity.

Proposed law changes present law by changing the application of the credit from first-time nonviolent offenders to felony offenders, by increasing the amount of the tax credit from \$200 to \$2,500, and by changing the work week requirement from 30 hours to 35 hours.

Proposed law adds to present law eligibility for persons who have completed court-ordered programs other than court-ordered drug treatment/rehabilitation programs.

Proposed law defines "felony" offense to be a crime of violence as defined in R.S. 14:2.

Present law authorizes a tax credit against the corporation income tax liability of a taxpayer who employs a convicted felon who has completed the Intensive Incarceration Program provided by DPS&C, and who, prior to such employment had been unemployed for the preceding six months. The amount of the credit is \$150 per employee, and the credit may be taken for two years per employee. To be eligible for the credit, the employee shall have worked for six months in a full-time, 30-hour-per-week capacity.

Repeals present law for the tax credit for employment of convicted felons who have completed the Intensive Incarceration Program.

Provisions of this Act are applicable to taxable periods beginning on or after Jan. 1, 2009.

(Amends R.S. 47:297(K) and (O) and 287.752; Adds R.S. 47:287.786; Repeals R.S. 47:287.748)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Adds eligibility for persons who have completed court-ordered programs other than court-ordered drug treatment/rehabilitation programs.